EXHIBIT 12

ANNUAL STATEMENT
For the Year Ended DECEMBER 31, 2015
OF THE CONDITION AND AFFAIRS OF THE
SYNCORA GUARANTEE INC.

NAIC Group Code 4676 (Current Period), 4676 (Prior Period) NAIC Company Code 20311 Employer's ID Number 13-3635895

Organized under the Laws of New York, State of Domicile or Port of Entry New York

Country of Domicile United States of America

Incorporated/Organized 07/25/1991 Commenced Business 01/01/1992

Statutory Home Office 135 West 50th Street (Street and Number), New York, NY, US 10020 (City or Town, State, Country and Zip Code)

Main Administrative Office 135 West 50th Street (Street and Number)

New York, NY, US 10020 (City or Town, State, Country and Zip Code) (212)478-3400 (Area Code) (Telephone Number)

Mail Address 135 West 50th Street (Street and Number or P.O. Box), New York, NY, US 10020 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 135 West 50th Street (Street and Number)

New York, NY, US 10020 (City or Town, State, Country and Zip Code) (212)478-3400 (Area Code) (Telephone Number)

Internet Website Address www.syncora.com

Statutory Statement Contact Anthony Corrado (Name) (212)478-3400 (Area Code)(Telephone Number)(Extension)

anthony.corrado@scafg.com (E-Mail Address) (212)478-3587 (Fax Number)

OFFICERS

Name	Title
Susan Comparato	President
Claude LeBlanc	Chief Financial Officer
David Michael Grande	Controller

OTHERS

Drew Douglas Hoffman, SVP&Grp Head-Surveillance,Exposure Mgmt&Analytics

DIRECTORS OR TRUSTEES

Susan Comparato	Michael Patrick Esposito Jr.	William Martin Fitzgerald Sr.	Edmund Graham Gibbons
Duncan Pratt Hennes	Robert Martin Lichten	Thomas Stanley Norsworthy	Coleman DeVane Ross
Robert Wright Shippee	Robert Joel White		

State of New York
County of New York ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Susan Comparato	Claude LeBlanc	David Michael Grande
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Chief Financial Officer	Controller
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
_________ day of _________ , 2016

a. Is this an original filing? Yes[X] No[ ]
b. If no, 1. State the amendment number ____________
2. Date filed ____________
3. Number of pages attached ____________

____
(Notary Public Signature)

Notes to Financial Statements

(4) Realized investment gains and losses on the sale of investments are determined on the basis of the first-in, first-out method and are included in net income.

Decreases in the fair value of bond and stock investments below their carrying value, which are determined to be "other than temporary", are reflected as realized losses and are recorded in the Statement of Income. In addition, for securities that the Company has the intent to sell or the inability or the lack of intent to retain the securities for a period of time sufficient to recover the amortized cost, the securities are written down to fair value and the other-than-temporary impairment charge is recorded as a realized loss in the Statement of Income. In accordance with periodic investment reviews by management, an impairment of a bond shall be considered to have occurred if it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the security.

Net investment income includes interest and dividends received or accrued on investments. It also includes amortization of any purchase premium or discount using the interest method, adjusted prospectively for any change in estimated yield to maturity. Investment income is recognized when earned. Investment income due and accrued that is deemed uncollectible is charged against net investment income in the period such determination is made, while investment income greater than 90 days past due is non-admitted and charged directly to surplus. Net investment income is reduced by investment management expenses.

(5) The Company files a consolidated tax return with its parent company and certain other affiliates (see Note 9). The entities included in the consolidated tax return maintain a tax sharing agreement, whereby the consolidated tax liability is allocated among such entities based on the ratio of their separate return liability to the sum of the separate return liabilities of all such entities. In addition, a complementary method is used which results in reimbursement by profitable entities to loss entities for tax benefits generated by loss entities. Accordingly, the provision for Federal income taxes represents the Company's allocated share of tax expense based on income from operations currently taxable and estimated to be payable to the Internal Revenue Service by its ultimate U.S. parent company. Federal tax amounts payable and/or receivable in the accompanying financial statements represent amounts due to and/or from the Company's ultimate parent.

The Company records deferred Federal income taxes for temporary differences between the statutory basis and tax basis of assets and liabilities. Such differences relate principally to net operating loss carry-forward, net capital loss carry-forward, mandatory contingency reserves, incurred losses, and deferred premium revenue.

Deferred taxes are computed and admitted pursuant to SSAP 101, *Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10*. Gross deferred tax assets are reduced by a statutory valuation allowance adjustment if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the gross deferred tax assets will not be realized. The resulting adjusted gross deferred tax asset is admitted, subject to certain surplus limitations, to the extent it is available, in accordance with applicable tax law, to recover taxes paid or otherwise reduce taxes owed. Changes in the admitted net deferred tax assets are recorded directly to unassigned surplus.

(6) A statutorily mandated contingency reserve is established, net of reinsurance, by an appropriation of unassigned surplus and is reflected in the Statement of Assets, Liabilities, Surplus and Other Funds. This reserve is calculated as the greater of a prescribed percentage applied to original insured principal or 50% of premiums written, net of ceded reinsurance. The prescribed percentage varies by the type of business. Once the reserve is calculated, as described above, it is incrementally recognized in the financial statements over a prescribed time period based on type of business. Reductions in the contingency reserve may be recognized under certain stipulated conditions, subject to the approval of the NYDFS.

(7) Reserves for losses and loss adjustment expenses on insured business are established by the Company with respect to a specific policy or contract upon, (i) receipt of a claim notice or when management determines that a claim is probable in the future based on specific credit events that have occurred and (ii) the amount of the ultimate loss that the Company will incur can be reasonably estimated. The amount of such case basis reserve is based on the net present value of the expected ultimate loss and loss adjustment expense payments that the Company expects to make, net of the present value of future installment premiums and expected recoveries under salvage and subrogation rights. Case basis reserves are determined using cash flow models to estimate the net present value of the anticipated shortfall between (i) scheduled payments on the insured obligation plus anticipated loss adjustment expenses and (ii) anticipated cash flow from the collateral supporting the obligation and other anticipated recoveries or cash flows. A number of quantitative and qualitative factors are considered when determining or assessing the need for a case basis reserve. These factors may include the creditworthiness of the underlying issuer of the insured obligation, whether the obligation is secured or unsecured, the projected cash flow or market value of any assets that collateralize or secure the insured obligation, and the historical and projected loss rates on such assets. Other factors that may affect the actual ultimate loss include the state of the economy, changes in interest rates, foreign currency exchange rates, rates of inflation and the salvage values of specific collateral, as well as the Company's rights, remedies and defenses. Such factors and management's assessment thereof will be subject to the specific facts and circumstances associated with the specific insured transaction being considered for case